

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 10/31/2006

	As of <u>10-31-06</u>	As of <u>6-30-06</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,683,632,856	\$ 1,568,651,856
INTERNATIONAL EQUITIES	795,284,225	728,736,085
DOMESTIC FIXED INCOME	1,892,846,196	1,827,967,399
INTERNATIONAL FIXED INCOME	177,685,076	175,048,602
REAL ESTATE POOL	379,489,962	361,756,992
VENTURE CAPITAL	154,206,271	137,923,531
INVESTED CASH (NOTE 1)	<u>55,099,614</u>	<u>86,329,243</u>
 TOTAL INVESTMENTS	 5,138,244,200	 4,886,413,708
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	21,299,327	23,902,849
CONTRIBUTIONS/ASSESSMENTS REC	761,423	7,715,230
MISCELLANEOUS RECEIVABLES	<u>4,098</u>	<u>3,797</u>
 TOTAL RECEIVABLES	 22,064,848	 31,621,876
 OTHER ASSETS		
OPERATING CASH (NOTE 2)	8,814,779	9,827,265
DUE FROM OTHER AGENCIES (NOTE 3)	89,926	120,619
FIXED ASSETS (NET) (NOTE 4)	<u>1,035,729</u>	<u>1,035,729</u>
 TOTAL ASSETS	 <u><u>\$ 5,170,249,482</u></u>	 <u><u>\$ 4,929,019,197</u></u>
 LIABILITIES:		
ACCOUNTS PAYABLE	4,308,276	4,369,151
ACCRUED EXPENSES	294,544	492,643
CAPITAL LEASES PAYABLE	5,662	5,662
DUE TO OTHER AGENCIES (NOTE 5)	<u>89,927</u>	<u>120,619</u>
 TOTAL LIABILITIES	 4,698,409	 4,988,075
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,924,031,122	4,424,431,522
CASH IN DURING YEAR (NOTE 6)	93,477,569	390,918,734
CASH OUT DURING YEAR (NOTE 7)	120,137,859	319,323,971
NET INCREASE (DECREASE)	<u>268,180,241</u>	<u>428,004,837</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>5,165,551,073</u>	 <u>4,924,031,122</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 5,170,249,482</u></u>	 <u><u>\$ 4,929,019,197</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 10/31/2006

	Month Ended <u>10-31-06</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 12,942,960	\$ 51,413,035
SECURITIES LENDING INCOME	<u>2,456,946</u>	<u>10,328,761</u>
	15,399,906	61,741,796
 GAIN ON SALE OF INVESTMENTS	 30,436,619	 133,785,662
LOSS ON SALE OF INVESTMENTS	<u>10,789,587</u>	<u>71,989,217</u>
 NET GAINS (LOSSES) INVESTMENTS	 19,647,032	 61,796,445
 INVESTMENT EXPENSES	 1,397,653	 5,261,208
SECURITIES LENDING EXPENSES	<u>2,390,023</u>	<u>10,025,594</u>
 NET INVESTMENT INCOME	 31,259,262	 108,251,439
 NET APPREC (DEPREC) MARKET VALUE	 93,394,391	 185,863,917
MISCELLANEOUS INCOME/(EXPENSE)	<u>(656,112)</u>	<u>(652,795)</u>
 TOTAL INVESTMENT INCOME	 123,997,541	 293,462,561
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 5,109,495	 8,775,844
PURCHASED SERVICE CREDIT (NOTE 9)	298,257	1,137,664
PENALTY & INTEREST (NOTE 10)	<u>461</u>	<u>1,629</u>
 TOTAL ADDITIONS	 <u>129,405,754</u>	 <u>303,377,698</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	8,338,831	32,964,484
PARTIAL LUMP SUM BENEFITS PAID	0	513,849
REFUNDS TO MEMBER (NOTE 12)	<u>271,814</u>	<u>1,210,109</u>
 TOTAL BENEFITS PAID	 8,610,645	 34,688,442
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	79,557	323,564
OPERATING EXPENSES	76,458	185,451
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>156,015</u>	 <u>509,015</u>
 TOTAL DEDUCTIONS	 <u>8,766,660</u>	 <u>35,197,457</u>
 NET INCREASE (DECREASE)	 <u>\$ 120,639,094</u>	 <u>\$ 268,180,241</u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
October 31, 2006

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
10/31/2006

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.